

P 201931Z JUL 07
FM SECSTATE WASHDC
TO AMEMBASSY BELGRADE PRIORITY
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE PRIORITY

S E C R E T STATE 101360

E.O. 12958: DECL: 07/20/2017
TAGS: PARM PREL ETTC MTCRE KSCA SR

SUBJECT: (S) ALERTING SERBIA TO A POSSIBLE EFFORT TO
DIVERT U.S.-ORIGIN MISSILE TECHNOLOGY

Classified By: ISN/MTR DIRECTOR PAM DURHAM
FOR REASONS 1.4 (B),(D).

¶1. (U) This is an action request. Please see paragraph 3.

¶2. (S) Background and Purpose/Objective: We want to share with Serbian officials information indicating that a Serbian firm is seeking 32 U.S.-origin, fiber optic gyrocompasses. Although this firm has indicated that these systems will be installed on maritime vessels, we are concerned about the large size of this order and the possibility that these gyrocompasses could be destined for an entity in a country of proliferation concern. For example, we understand that Iranian entities have sought these same gyrocompasses in recent months through sources in other countries. This equipment is controlled under the Missile Technology Control Regime (MTCR) as it contains three fiber optic gyroscopes that also would be MTCR-controlled if sold separately. An end-user with the requisite technological knowledge could remove these gyroscopes and use them in cruise missile or unmanned aerial vehicle (UAV) applications. Because these are U.S.-origin items, their purchase is subject to U.S. export control regulations, which do not allow for their retransfer to prohibited destinations such as Iran, or use in missile-related applications. We therefore want to ask Serbian authorities to use all available measures to ensure that this firm is not diverting sensitive, U.S.-origin equipment to end-users in countries of proliferation concern. (Note: As of July 20, we are not aware of a license application having been submitted by the U.S. firm to export this equipment. End Note)

¶3. (S) Action Request: Department requests Embassy Belgrade approach appropriate host government officials to deliver the talking points in Paragraph 4 and report response. Talking points may be left as a non-paper.

¶4. (S) Begin talking points/non-paper:

(SECRET REL SERBIA)

-- We would like to bring to your attention a matter of proliferation concern and request your assistance in investigating this activity.

-- The U.S. has information indicating that the Serbian firm Belchem expressed an interest in purchasing as many as 32 fiber optic gyroscope maritime navigation systems.

-- We understand that Belchem is seeking the Navigat 2100 fiber-optic gyrocompass, which is manufactured by the U.S. firm Northrop Grumman/Sperry Marine. Belchem has indicated that its customers plan to install these systems on maritime vessels.

-- Although this equipment is designed for such applications, we are concerned about the large size of this order and the possibility that these gyrocompasses could be destined for an entity in a country of proliferation concern.

-- For example, we understand that Iranian entities have sought Navigat 2100 gyrocompasses in recent months through sources in other countries.

-- The Navigat 2100 is controlled by the Missile Technology Control Regime (MTCR) because it contains three fiber optic gyroscopes that would be MTCR-controlled if sold separately.

-- An end-user with the requisite technological knowledge could remove these gyroscopes and use them in cruise missile or unmanned aerial vehicle (UAV) applications.

-- Because Navigat 2100 gyrocompasses are produced in the U.S., their purchase by Belchem would be subject to U.S. export control regulations, which do not allow for their retransfer to Iran or use in missile-related applications.

-- Belchem is located at Zelezincaa 15, 1080 Zemun, Belgrade, Serbia.

-- We ask that you use all available measures to ensure that Belchem is not transferring sensitive, U.S.-origin equipment to unauthorized end-users in countries of proliferation concern.

-- We look forward to future cooperation with your government on nonproliferation and export control issues and to hearing the results of your inquiries into this matter at the earliest possible time.

End talking points/non-paper.

¶5. (U) Washington POC is ISN/MTR James Mayes (Phone: 202-647-3185). Please slug any reporting on this issue for ISN and EUR.

¶6. (U) A word version of this document will be posted at www.state.sgov.gov/demarche in the "MTAG - EUR" folder.

RICE

NNNN

End Cable Text